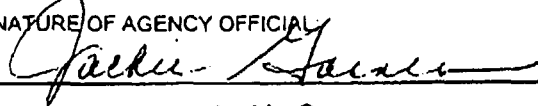


DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATIONFORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER 02-28	2. STATE: ILLINOIS
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: 10-01-02	
5. TYPE OF PLAN MATERIAL (Check One) <input type="checkbox"/> NEW STATE PLAN <input checked="" type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447	7. FEDERAL BUDGET IMPACT a. FFY 02 \$45,500,000 b. FFY 03 \$45,500,000	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D Page 109	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D Page 109	
10. SUBJECT OF AMENDMENT: LTC		
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> OTHER, AS SPECIFIED Not submitted for review by prior approval.		
12. SIGNATURE OF AGENCY OFFICIAL: 	16. RETURN TO: ILLINOIS DEPARTMENT OF PUBLIC AID 201 SOUTH GRAND AVENUE, EAST SPRINGFIELD, IL. 62763-0001 ATTENTION: John Rupcich	
13. TYPED NAME: Jackie Garner		
14. TITLE: DIRECTOR		
15. DATE SUBMITTED: August 22, 2002		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED: AUG 26 2002	18. DATE APPROVED: 1/23/03	
PLAN APPROVED - ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: 10-1-02	20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: CHARLENE BROWN	22. TITLE: Brown Smith	
23. REMARKS:		

RECEIVED
AUG 26 2002
DMCH - IL/IN/ON

State Illinois

Attachment 4.19-D

Page 109

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - Reimbursement to Long Term Care Facilities

- iv. The Administrator will send by mail written notification to the facility of the determination of the second level review within forty-five (45) calendar days of the receipt of the facility's request for second level review. No other administrative review will be available.

I. Appeals of Rate Determinations

- 04/98 1. Appeals of rate determinations shall be submitted in writing to DPA. All appeals submitted within 30 days of rate notification shall, if upheld, be made effective as of the beginning of the rate year. The effective date of all other upheld appeals shall be the first day of the month following the date the completed appeal was submitted.
- 04/98 2. DPA shall rule on all appeals within 120 days of the date of appeal, except that if DPA requires additional information from the facilities. The service shall be extended until such time as the information is provided. Appeals for any rate year must be filed before the close of the said year.

10/02 1. Alternate reimbursement methodology for certain nursing facilities.1. Qualifications.

- a. The nursing facility must be owned or operated by an Illinois county.
- b. The county must enter into an intergovernmental agreement with the DPA that specifies the responsibilities of the two parties.

2. Reimbursement.

The per diem rate for qualifying nursing facilities shall be 94 percent of the average rate that is determined by applying a modified Medicare reimbursement methodology to the facility's Medicaid residents. The modification to the Medicare methodology shall consist of the use of the 34-class RUG grouper, in lieu of the 44 class grouper used by Medicare. The difference between the 34-class RUG grouper and the 44-class RUG grouper is that the 34-class RUG grouper only recognizes 4 rehabilitation groupings (RAD, RAC, RAB, and RAA) instead of the 14 used by Medicare.

For purposes of the calculation, the Medicare rate will be based upon the resident assessment instrument (MDS) data transmitted to the State for Medicaid residents who were in the facility on the 15th day of February preceding the beginning of the State fiscal year during which the service was provided. The MDS data will be used to assign each resident a RUG. The rate will be based upon the latest Medicare PPS rate, using the latest wage indices for urban and rural areas published in the Federal Register. The 4 rehabilitation group rates will be calculated as follows. The RAD and RAC rates will be the average of the Medicare RMC and RLB rates. The RAB rate will be the average of the Medicare RMB and RLA rates. The RAA rate will be the average of the Medicare RMA and RLA rates. The resulting rates for all Medicaid clients within a facility will be averaged at a facility level. Payment rates will be adjusted effective with any adjustments made to the Medicare PPS rates by CMS.

TN # 02-28
SUPERCEDES
TN # 98-03

JAN 23 2003
APPROVAL DATE: EFFECTIVE DATE: 10/01/2002